

FORM MO-1120

GENERAL INFORMATION

This information is for guidance only and does not state the complete law.

WHO MUST FILE FORM MO-1120

Corporation Income Tax:

Every corporation, as defined in Chapter 143, RSMo, is required to file a return of income in Missouri for each year it is required to file a federal income tax return and has gross income from sources within Missouri of \$100 or more. The tax on corporations will not apply to:

- (1) A corporation, which by reason of its purposes and activities is exempt from federal income tax. The preceding sentence shall not apply to unrelated business taxable income and other income on which Chapter 1 of the Internal Revenue Code imposes the federal income tax or any other tax measured by income;
Note: Any corporation filing a Federal Form 990, 990EZ, or 990PF should **not** send a copy of the federal form or any Missouri income/franchise tax form to the Department of Revenue.
- (2) An express company, which pays an annual tax on its gross receipts, in this state;
- (3) An insurance company, which pays an annual tax on its gross premium receipts, in this state;
- (4) A Missouri mutual or an extended Missouri mutual insurance company organized under Chapter 380, RSMo; or
- (5) Any other corporation that is exempt from Missouri income taxation under the laws of Missouri or the laws of the United States.

Corporations reporting taxable income on a federal return other than a Federal Form 1120 or 1120A (such as Federal Forms 1120POL, 1120H, 1120SF, 1120REIT, 990T, or 990C), shall attach a copy of the appropriate federal form and make the computations on Form MO-1120.

A "candidate committee" set up under Section 130.011, RSMo who is required by the Internal Revenue Code Section 527 to file a federal form 1120-POL, but is not set up as a corporation, is not required to file the Form MO-1120.

Corporation Franchise Tax:

Every corporation must determine if their assets or apportioned assets are greater than \$1,000,000. If their assets (in or apportioned to Missouri) are over \$1,000,000, the corporation must complete and file Schedule MO-FT and Form MO-1120. Attach a copy of the balance sheet and any supporting schedules. If assets (in or apportioned to Missouri) are equal to or less than \$1,000,000, the corporation must check Box A on Form MO-1120 and sign the return.

Note: An S corporation, as defined by Section 1361(a)(1) of the Internal Revenue Code, is not subject to income tax. S corporations must file a Form MO-1120S, if Federal Form 1120S is required to be filed and the S corporation has: (1) a shareholder that is a Missouri resident; or (2) any income derived from Missouri sources (Section 143.471, RSMo). **S corporations required to file corporation franchise tax must file Form MO-1120S with Schedule MO-FT.**

MISSOURI REGISTRATION

Every corporation and S corporation must register with the Department of Revenue to receive a Missouri Tax Identification Number. To register, please contact: **Missouri Department of Revenue, Division of Taxation and Collection, P.O. Box 3300, Jefferson City, MO 65105-3300, visit our web site at www.dor.mo.gov/tax, or call (573) 751-5860.**

TIME AND PLACE OF FILING AND PAYMENT

Corporation Income Tax:

Corporation income tax is due on or before the 15th day of the fourth month following the **end** of the tax year. Example: Taxable period June 1, 2004, to December 31, 2004; due April 15, 2005.

Corporation Franchise Tax:

Corporation franchise tax is due on or before the 15th day of the fourth month following the **beginning** of the tax year. Example: Taxable period of January 1, 2005, to December 31, 2005; due April 15, 2005.

Note: When the due date falls on a Saturday, Sunday, or a legal holiday, the return and payment will be considered timely if made on the next business day.

If you have a balance due, mail your return and payment to: **Missouri Department of Revenue, P.O. Box 3365, Jefferson City, MO 65105-3365. Note:** Include the Missouri Tax Identification Number on the check or money order.

If you are due a refund or have no amount due, mail your return to: **Missouri Department of Revenue, P.O. Box 700, Jefferson City, MO 65105-0700.**

CONSOLIDATED FEDERAL RETURN/SEPARATE MISSOURI RETURN

A corporation, which is a member of an affiliated group filing a consolidated federal income tax return, shall (if no Missouri consolidated return is filed) determine its federal taxable income as if it had filed a separate federal income tax return for the year.

The corporation must enclose a pro forma Federal Form 1120, with all pertinent schedules, wherein its separate federal taxable income is computed with Form MO-1120. The first four pages of the actual consolidated federal income tax return and an income statement, or a summary of profit companies for the year, must be attached. The complete consolidated federal return may be required upon an audit of the Missouri return. The corporation's federal income tax deduction will be the amount from the consolidated Federal Form 1120, Schedule J, Line 11 plus Line 6a multiplied by the ratio of the individual profit company divided by the total profit companies of the corporation. This amount will be multiplied by 50 percent to arrive at the Missouri corporation return's federal income tax deduction. For further clarification, see 12 CSR 10-2.090. The computed federal income tax deduction must be multiplied by 50 percent. See Form MO-1120, Part 3.

SUBSIDIARIES INCLUDED IN THE FILING OF THIS RETURN

If the corporation is filing a consolidated Missouri return, attach a separate schedule that lists the names of the subsidiaries, Federal Employer Identification Numbers (FEIN), and Missouri Tax Identification Numbers. **Subsidiaries must file a separate Form MO-1120 and Schedule MO-FT for franchise tax and attach their separate balance sheet.**

NET OPERATING LOSSES

Corporations that file a Missouri return with a federal net operating loss (NOL) must treat the loss under the provisions of the Internal Revenue Code. Corporations that file a consolidated federal and separate Missouri return shall compute the separate federal taxable income as if each member filed a separate federal return. The corporation is bound by the federal return election to carry losses forward or back, (i.e., if the loss is carried back on your federal return, the separate company loss must be carried back).

If there is a consolidated gain, the corporation may elect to carry the federal separate company loss forward or back pursuant to the Internal Revenue Code on a separate company basis in Missouri.

The only net operating loss subject to carry forward or carryback is the loss from your federal tax return. **Missouri does not have provisions for a state net operating loss deduction.** A negative number on Form MO-1120, Lines 8, 9, or 12 is not a net operating loss.

If your corporation is required to file an amended Missouri return to carryback a federal NOL, please provide the following information with your amended Form MO-1120:

- If your consolidated federal income is positive and you are carrying back a separate company loss, attach a copy of the consolidated Federal Form 1120 to document that there is no consolidated loss to be carried back.
- If your consolidated federal return is a loss for 2004 and the previous tax periods are consolidated losses, attach a copy of the consolidated Federal Form 1120 for 2004 and the consolidated Federal 1120 for the tax period being amended on a separate company basis.

- For tax periods that your consolidated and separate company incur a NOL that is carried back, attach a copy of the consolidated Federal Form 1139. Also include a revised income statement for the loss year and the amended tax period and a schedule showing the calculation of the federal income tax deduction on the amended return.

Note: Your corporation may need to file an amended return to adjust the federal income tax deduction for any tax period that the consolidated tax liability changes due to a NOL carryback, even if no loss exists to be carried back on a separate company basis.

DECLARATION OF ESTIMATED TAX

Every corporation subject to income tax in this state must make a declaration of its estimated tax for the taxable year on Form MO-1120ES, if its Missouri estimated tax could reasonably be expected to be at least \$250 (Section 143.521, RSMo).

If an affiliated group of corporations file a Missouri consolidated income tax return for the taxable year, its Missouri estimated tax payments may be combined on Form MO-1120 (12 CSR 10-2.045(39)).

Estimated tax payments may be applied against a franchise tax liability.

A corporation may amend its declaration on Form MO-1120ES.

Mail declaration of estimated tax payments to: **Missouri Department of Revenue, P.O. Box 3020, Jefferson City, MO 65105-3020.** Make check payable to Director of Revenue and include your Missouri Tax Identification Number on your check.

EXTENSION OF TIME TO FILE AND PAY

If a corporation has been granted an extension of time to file its federal income tax return, the time for filing the Missouri income/franchise tax return is automatically extended for the same period of time. A copy of the Federal Extension, Form 7004, must be attached to the Form MO-1120 when filed.

An extension of time to file an income/franchise tax return does not extend the time for payment of the tax. The corporation must pay, on or before the original due date, the amount estimated as its corporation income tax and corporation franchise tax for the taxable year. Submit this amount with Form MO-7004 and mail to: **Missouri Department of Revenue, P.O. Box 3400, Jefferson City, MO 65105-3400.**

If a corporation files a Form MO-7004, it should attach a copy of the federal extension. To obtain a Form MO-7004, access the Department of Revenue's web site at www.dor.mo.gov/tax/forms/ or call (800) 877-6881.

FILING AMENDED RETURNS

Form MO-1120 and Schedule MO-FT must be used for amending tax years beginning 2000 and forward for Corporate Income and beginning 2003 and forward for Franchise Tax. Check the box to indicate that it is an amended return and check applicable box b, c, or d. **The corporation must complete the entire return using the corrected figures. Do not write, "see attached."** Complete each line using the corrected amounts.

The corresponding tax year Form MO-1120 must be used for amending corporation income tax for tax years 1993–1999.

The corresponding tax year Schedule MO-FT, must be used for amending franchise tax for tax years 2000 and prior.

If the corporation is filing an amended corporate income tax return for tax year 1992 and prior, the corporation must use Form MO-1120X.

Note: Form MO-1120, Parts 4 and 5 must be completed when applicable.

A corporation must file an amended return within 90 days of filing an amended federal income tax return. The corporation must also file an amended return within 90 days after the final determination of changes made by the Internal Revenue Service (12 CSR 10-2.105 and Section 143.601, RSMo). Attach a copy of the amended federal return with applicable schedules (e.g., Federal Revenue Agent's Report, Form 1139, Form 1120X) or if the federal return was not amended, explain why the corporation is amending the Missouri return and accompany the explanation with applicable schedules. For Missouri forms, **visit our web site at www.dor.mo.gov/tax/forms/ or call (800) 877-6881.**

TAX FORMS AVAILABLE BY FAX

Blank Missouri tax forms are available by fax. To access the Forms-by-Fax system call (573) 751-4800 from your **fax machine handset**. The Forms-by-Fax system will take you through the steps required to receive a fax copy of the forms you need. If you are speech or hearing impaired, please call TDD (800) 735-2966 or fax (573) 526-1881.



FORM MO-1120 MISSOURI CORPORATION TAX

LINE-BY-LINE INSTRUCTIONS

At the top of the return, fill in the blanks indicating the beginning and ending dates of the tax period. The corporation's accounting period and method for Missouri income tax purposes must be the same as for federal income tax purposes (12 CSR 10-2.030, 12 CSR 10-2.035, and Sections 143.271 and 143.281, RSMo).

NAME AND ADDRESS SECTION

The corporation's Missouri Tax Identification Number, Missouri Charter Number or Certificate of Authority Number, and Federal Employer Identification Number (FEIN), must be entered in the spaces provided. **Failure to include the Missouri Tax Identification Number and Charter Number will delay the processing of the return.** Please contact the Division of Taxation and Collection at (573) 751-5860 if you cannot locate or do not have a Missouri Tax Identification Number.

RETURN TYPE

Consolidated Missouri Return — Check this box if filing a consolidated Missouri return. In order to file a consolidated Missouri return, the corporation must be part of a consolidated federal return (12 CSR 10-2.045 and Section 143.431, RSMo). Form MO-22 must be included for each member of the consolidated group when filing the initial consolidated Form MO-1120 and for each new member added thereafter.

Note: This return is for Missouri Consolidated Corporate Income Tax and the parent company's separate franchise tax. Subsidiaries will need to complete a separate Form MO-1120 and Schedule MO-FT for their individual franchise tax liability and attach their own balance sheet. For each subsidiary, Form MO-1120 must have Box C checked to indicate "franchise tax only."

Consolidated Federal/Separate Missouri Return — Check this box if filing a consolidated federal return and a separate Missouri return. The following information must be included with the Form MO-1120: (1) pro forma Federal Form 1120 plus schedules; (2) consolidated Federal Form 1120; (3) consolidated Schedule J; and (4) income statement showing the income and loss of all corporations included in the consolidated group.

Amended Return — Check the box if the corporation is filing an amended return. Also, check Box B, C, or D, if applicable.

Name Change — Check this box if the corporation's name has changed since filing the previous Form MO-1120, Corporation Income Tax Return.

Address Change — Check this box if the corporation's address has changed since filing the previous Form MO-1120, Corporation Income Tax Return.

Final Corporate Income Tax Return — Check this box if the corporation ceased doing business during the tax period for which this return is being filed.

Bankruptcy — Check this box if the corporation has filed for bankruptcy since filing the previous Form MO-1120, Corporation Income/Franchise Tax Return or if you are still in bankruptcy.

990C — Check this box if the corporation filed Federal Form 990C. Per Section 143.511, RSMo, the effective due date for entities filing Federal Form 990C is the same as the federal due date. For calendar year filers, this is September 15, 2005. For fiscal year filers, the due date is the 15th day of the ninth month following the close of the taxable year.

Franchise tax is always due the 15th day of the fourth month following the beginning of the tax year.

990T — Check this box if the corporation filed Federal Form 990T. Per Section 143.511, RSMo, the effective due date for entities filing Federal Form 990T is the same as the federal due date. For calendar year filers, this is May 15, 2005. For fiscal year filers, the due date is the 15th day of the fifth month following the close of the taxable year.

Balance Sheet Date — Enter the balance sheet date.

A. Zero Franchise Tax Liability — Check this box if your assets in or apportioned to Missouri are less than or equal to \$1,000,000. Complete Form MO-1120 if applicable and sign the return. You do not owe franchise tax.

B. Both Income and Franchise Tax — Check this box if the return is being filed for both income tax and franchise tax. If this box is marked, Box C and Box D cannot be marked.

C. Income Tax Only — Check this box if the return is being filed for income tax only. **Note:** This box should not be checked if Box A is checked.

D. Franchise Tax Only — Check this box if the return is being filed for franchise tax only.

COMPUTATION OF INCOME TAX

LINE 1 — FEDERAL TAXABLE INCOME

Enter the total amount of federal taxable income from Federal Form 1120, Line 30 or Federal Form 1120A, Line 26. The line numbers for federal taxable income will differ on other federal forms (1120A, 1120POL, 1120H, 1120SF, 1120REIT, 990T, and 990C).

LINE 2 — MISSOURI CORPORATION INCOME TAX & CORPORATION INCOME TAX OF OTHER STATES DEDUCTED IN DETERMINING FEDERAL TAXABLE INCOME

Enter the amount of Missouri corporation income tax deducted in determining federal taxable income (Section 143.141(1), RSMo), and the amount of corporation income taxes from other states, their subdivisions and the District of Columbia deducted in determining federal taxable income (12 CSR 10-2.160 and Section 143.141(2), RSMo). Do not include St. Louis or Kansas City earnings taxes. **A schedule must be attached showing the breakdown of taxes on Federal Form 1120, Line 17 or from Federal Form 1120-A, Line 17.**

LINE 3 — MISSOURI MODIFICATIONS — ADDITIONS

Enter the net amount from Page 2, Part 1, Line 5. See instruction for completing Part 1.

LINE 4 — TOTAL ADDITIONS

Enter the total of Lines 2 and 3.

LINE 5 — MISSOURI MODIFICATIONS — SUBTRACTIONS

Enter the net amount from Page 2, Part 2, Line 10. See instructions for completing Part 2.

LINE 6 — BALANCE

Enter the total of Lines 1 and 4 less Line 5.

LINE 7 — FEDERAL INCOME TAX — CURRENT YEAR

Enter the amount from Page 2, Part 3, Line 3. See the instructions for completing Part 3. Consolidated federal/separate Missouri filers must compute the federal income tax deduction per 12 CSR 10-2.090.

LINE 8 — MISSOURI TAXABLE INCOME — ALL SOURCES

Enter the total of Line 6 less Line 7.

LINE 9 — MISSOURI TAXABLE INCOME

If taxable income is 100 percent from Missouri sources, enter the amount from Line 8. If taxable income is not 100 percent from Missouri sources, complete Schedule MO-MS. Enter the apportionment method number used (such as apportionment election 1, 2, 3, 4, 5, 6, or 7) and the percentage (rounded to three digits to the right of the decimal point, such as 12.345 percent), in the boxes provided. These boxes must be completed even if Missouri taxable income is zero. Multiply Line 8 by the percentage and enter the result on Line 9. Nonbusiness income will only be considered if Schedule MO-NBI is attached. Non-Missouri source income will only be considered if a list itemizing the source of income is attached. See Schedule MO-MS instructions for additional information.

LINE 10 — MISSOURI DIVIDENDS DEDUCTION

If income is 100 percent from Missouri sources, calculate the net dividend deduction by subtracting Federal Form 1120, Line 29b from Federal Form 1120, Line 4.

Single Factor Apportionment — Complete Schedule MO-C and allocate dividends according to the location of payor. If payor is commercially domiciled in Missouri, the dividends are Missouri source dividends. The total Missouri dividends shall be multiplied by a percentage factor. This percentage factor is from Schedule MO-MS, Part 1, Line 7. After multiplying the Missouri source dividends by the apportionment factor, enter this amount on Schedule MO-C, Line 22 and on Form MO-1120, Line 10.

Three Factor Apportionment — Calculate the net dividend deduction by subtracting Federal Form 1120, Line 29b, from Federal Form 1120, Line 4. This amount is then multiplied by the apportionment factor from Schedule MO-MS, Part 2, Line 4. Enter this amount on Form MO-1120, Line 10.

Note: If you are claiming nonbusiness dividends, determine the nonbusiness dividends from Missouri sources by allocation and include on Schedule MO-MS, Part 2, Line 12. Determine nonbusiness dividends from all sources and include on Schedule MO-MS, Part 2, Line 9. Determine business dividends from Missouri sources by multiplying business dividends by the apportionment factor from Schedule MO-MS, Part 2, Line 4. The dividend deduction entered on Form MO-1120, Line 10, is the sum of business dividends from Missouri sources and nonbusiness dividends from Missouri sources.

LINE 11 — ENTERPRISE ZONE OR RURAL EMPOWERMENT INCOME MODIFICATION

Enter the amount of modification as approved by the Missouri Department of Economic Development.

LINE 12 — MISSOURI TAXABLE INCOME

Enter the total of Line 9 less Line 10 and Line 11.

TAX

LINE 13 — CORPORATION INCOME TAX

Enter the amount of Line 12 multiplied by 6.25 percent.

Missouri tax cannot be prorated or annualized.

LINE 14 — RECAPTURE OF MISSOURI LOW INCOME HOUSING CREDIT

If your corporation is required to recapture a portion of any federal low income housing credit(s) taken on a low income housing project, your corporation is also required to recapture a portion of any Missouri credits. The Missouri recapture amount is equal to the proportion of the

Missouri credit that equals the proportion the federal recapture amount bears to the original federal low income housing credit amount subject to recapture (Section 135.355.2, RSMo). You must attach to your Missouri return a copy of your Federal Form 8611.

LINE 15 — CORPORATION FRANCHISE TAX

If your corporation is required to pay corporation franchise tax, enter amount from Schedule MO-FT, Corporation Franchise Tax Schedule, Line 7C.

LINE 16 — TOTAL TAX

Enter the total of Lines 13, 14, and 15.

CREDITS AND PAYMENTS

LINE 17 — TAX CREDITS

Enter the total from Form MO-TC, Line 13. Visit our web site at www.dor.mo.gov/tax to download Form MO-TC.

You may be eligible for certain tax credits. The total amount of tax credit is computed by completing Form MO-TC, Miscellaneous Income Tax Credits. See Form MO-TC instructions for further information.

LINE 18 — ESTIMATED TAX PAYMENT(S)

Enter the total 2004 estimated payment(s) made with Form MO-1120ES. Include any approved overpayment(s) credited from 2003. If the requested overpayment(s) credited from 2003 has been adjusted, you must use the adjusted amount.

If filing a consolidated Missouri return, a complete list of subsidiary payments must be attached to Form MO-1120. The list must include each corporation's Missouri Tax Identification (MITS) Number.

If you are part of a consolidated group and filing a separate Form MO-1120 for franchise tax only, and claiming payments made by the parent company, indicate payments on Line 18 and enter parent company's MITS number to the left of the amount shown on Line 18.

Enter on Line 18 the total amount withheld from 2004 gross earnings as a nonresident entertainer, as shown on Form(s) MO-2ENT, Line 5. Attach copies of Form MO-2ENT or a schedule showing the date and place of the performance(s), and the amount of the withholding at each performance.

LINE 19 — PAYMENTS ON FORM MO-7004

Enter the total payment(s) made with Form MO-7004.

LINE 20 — AMENDED RETURN ONLY: TAX PAID WITH (OR AFTER) THE FILING OF THE ORIGINAL RETURN

Enter the amount of tax previously paid by check or money order on the original return and any previously filed amended return. Do not include any previous interest, additions to tax, or penalties.

LINE 21 — SUBTOTAL

Enter the total of Lines 17, 18, 19, and 20.

LINE 22 — AMENDED RETURN ONLY: OVERPAYMENT, IF ANY, AS SHOWN ON ORIGINAL RETURN OR AS LATER ADJUSTED

Enter the amount of overpayment received (or expected to be received) or the amount to be credited to estimated tax, as shown or adjusted on the original return. Any refund due on the original return will be refunded separately from any additional refund claimed on the amended return.

LINE 23 — TOTAL

Enter Line 21 less Line 22.

REFUND OR TAX DUE

LINE 24 — OVERPAYMENT

Enter the overpayment if Line 23 is greater than Line 16.

LINE 25 — TRUST FUND CONTRIBUTIONS

Enter on Lines 25a, 25b, 25c, 25d, 25e, 25f, and 25g any portion of your corporation income tax overpayment you wish to contribute to

the following trust funds. If you file a balance due return and wish to contribute to the Children's Trust Fund, Veterans Trust Fund, Elderly Home Delivered Meals Trust Fund, Missouri National Guard Trust Fund, General Revenue Trust Fund, or Workers' Memorial Trust Fund enter the amount on Line 25a, 25b, 25c, 25d, 25e, 25f, or 25g and attach a **separate check** for this amount. The amount contributed must be \$2.00 or more for each trust fund.



Children's Trust Fund — Children's Trust Fund, Missouri's Foundation for Child Abuse Prevention, is a non-profit organization dedicated to the vision of children free to grow and reach their full potential in a nurturing and healthy environment free from child abuse and neglect. Rather than reacting to abuse after the fact, Children's Trust Fund provides funding for education, public awareness, training, and community-based prevention projects statewide that help support and strengthen families to prevent child abuse and neglect. Your contribution may be applied to the annual \$25 donation needed to acquire a one-year logo use authorization form, which is required to purchase the popular "prevent child abuse" license plate featuring the handprints logo. For more information, please contact: Children's Trust Fund, P.O. Box 1641, Jefferson City, MO 65102-1641, or call (573) 751-5147.



Veterans Trust Fund — The Veterans Trust Fund expands the Missouri Veterans Commission's ability to provide quality healthcare at its seven veterans homes, and to assist veterans and dependents through its Service to Veterans Program. Because of the availability of this fund, nursing care staff receive specialized training and assistance for the treatment of residents suffering from Alzheimer's, dementias, and other extraordinary ailments; and Veterans Service Officers and Assistants receive comprehensive training relating to veterans benefits. Contributions may be made at any time directly to: Veterans Trust Fund, c/o The Missouri Veterans Commission, P.O. Drawer 147, Jefferson City, MO 65102-0147.



Elderly Home Delivered Meals Trust Fund — The Elderly Home Delivered Meals Trust Fund provides an opportunity to support the home delivered meals program for Missouri's senior citizens. Over 5.8 million meals are provided each year to home bound senior citizens. These nutritionally balanced meals, delivered to the homes of seniors on the average of one meal per day, five days per week, help them live independently in their homes. The need for home delivered meals increases yearly as persons are living longer and may need assistance. For more information, please contact: Elderly Home Delivered Meals Trust Fund, c/o Division of Senior Services, P.O. Box 570, Jefferson City, MO 65102, or call (573) 751-3082.



Missouri National Guard Trust Fund — The Missouri National Guard Trust Fund expands the capability to provide/coordinate Military Funeral Honors Ceremonies for veterans of Missouri and veterans buried in Missouri who have served their country in an honorable manner. Military Funeral Honors may be composed of "Two Member Detail" who may render honors, fold, and present the United States of America flag to primary next-of-kin, and sound Taps; "Four Member Detail" who may render honors, fire volleys, sound Taps, and fold and present the United States of America flag to primary next-of-kin; or "Veterans' Organization Detail" who may render honors, fire volleys, sound Taps, and fold and present the United States of America flag to primary next-of-kin. Contributions may be made at any time directly to Missouri National Guard Trust Fund, ATTN: NGMO-CMH, 2302 Militia Drive, Jefferson City, MO 65101-1203.



Workers' Memorial Trust Fund — The Workers' Memorial Fund has been established to create a permanent memorial for all workers who suffered a job related death or injuries that resulted in a permanent disability while on the job in Missouri. The memorial will be located on the grounds of the state capitol. Requests for information and contributions may be made at any time directly to Workers' Memorial Fund, ATTN: Office of Administration, 301 W. High St., Rm. 570, Jefferson City, MO 65101.

Additional Trust Fund Codes

If you choose to give to additional trust funds, enter this code on Line 44 in the spaces provided. If you want to give to more than two additional trust funds, please submit the check directly to the association. See our web site for additional information. The amount donated must be at least \$1, but no more than \$200 per trust fund.

Trust Funds**Codes**

American Cancer Society Heartland Division, Inc., Fund01
American Diabetes Association Gateway Area Fund02
American Heart Association Fund03
American Lung Association of Missouri Fund04
Amyotrophic Lateral Sclerosis (ALS—Lou Gehrig's Disease) Fund ..	.05
Arthritis Foundation Fund09
March of Dimes Fund08
Muscular Dystrophy Association Fund07
National Multiple Sclerosis Society Fund10
General Revenue Fund06

**American Cancer Society Heartland Division, Inc., Fund —**

The American Cancer Society is the nationwide, community-based, voluntary health organization dedicated to eliminating cancer as a major health problem by preventing cancer, saving lives, and diminishing suffering from cancer through research, education, advocacy, and service. Founded in 1913 and with national headquarters in Atlanta, the Society has 14 regional Divisions and local offices in 3,400 communities, involving millions of volunteers across the United States. For more information anytime, call toll free 1-800-ACS-2345 or visit www.cancer.org. Donations can be sent directly to the American Cancer Society at 1100 Pennsylvania Avenue, Kansas City, MO 64105.

**American Heart Association Fund —**

The American Heart Association is a voluntary health agency whose mission is to reduce disability and death from cardiovascular diseases and stroke. The American Heart Association can do this through awareness, knowledge, advocacy and action. With cardiovascular disease as the No. 1 killer of Americans and stroke the No. 3 killer, the American Heart Association needs support to educate Missourians about the risk factors of these diseases. We are educating health care providers about the newest guidelines, so that they can treat their patients accordingly. Lawmakers are being educated about heart health issues so that Missourians can receive protection with various laws. The American Heart Association is taking action to raise funds for awareness, education and research programs. For more information, please contact: American Heart Association, 4643 Lindell Boulevard, St. Louis, MO 63108, or call (314) 367-3383.

**American Lung Association of Missouri Fund —**

The American Lung Association of Missouri Fund will enable this 100 year old voluntary health organization to continue its critical mission of preventing lung disease and promoting lung health. Originally founded to eliminate tuberculosis, the American Lung Association today fights lung disease in all its forms, with special emphasis on asthma, tobacco use and environmental health. Asthma is today's leading chronic illness among children and the number one reason for missed school days, emergency room visits and hospitalizations. Nearly 90 percent of today's smokers started before the age of 18 and one third of them started before the age of 13. And many areas of Missouri do not meet the air quality standards set by the Environmental Protection Agency. All of these issues make lung disease the third leading cause of death — 90 percent of which are preventable. This is why the American Lung Association's educational programs are part of the curriculum in many schools across Missouri and why lung health research is so important. Your contribution will not only bring vital programs to more children in your community, it will support research to find a cure. For more information, please contact: American Lung Association Missouri Fund, 1118 Hampton Avenue, St. Louis, MO 63139-3196.

**American Diabetes Association Gateway Area Fund —**

The Gateway Area Diabetes Association Fund will support the American Diabetes Association efforts throughout Missouri. Funds will support camps for children with diabetes, advocacy efforts to protect the rights of people with diabetes, outreach efforts to reach people newly diagnosed and people at risk for development of diabetes. Funds will also support the life saving emergency insulin assistance program and support the researchers in the state working to find a cure and prevention for diabetes. The

American Diabetes Association is the only organization supporting all people with diabetes, children, and adults. We help those who care for people with diabetes: parents, families, friends, and employers. Requests for information may be made by calling 1-800-238-3594 or contacting Gateway Area Diabetes Association Fund, 10820 Sunset Office Drive, St. Louis, MO 63127.

**ALS Lou Gehrig's Disease Fund —**

The ALS Association is the only national not-for-profit health agency dedicated solely to the fight against Amyotrophic lateral sclerosis, (ALS). The State of Missouri is fortunate to be served by two leading Chapters of the ALS Association. The St. Louis Regional Chapter serves St. Louis and the Eastern half of Missouri and The Keith Worthington Chapter serves Kansas City and the Western half of the state. The ALS Association is the leader in patient services, research, counseling, support groups, and training for the ALS patient and family members. Call 1-888-873-8539 for patient services in Eastern Missouri and 1-800-878-2062 for patient services in Western Missouri.

**Arthritis Foundation Fund —**

The Arthritis Foundation is a voluntary, nonprofit health organization serving the needs of people affected by one or more of the 100 different forms of rheumatic disease. Arthritis is the country's leading cause of disability and costs the economy \$82 billion annually. Arthritis affects people of all ages. One in three people in Missouri have arthritis. Over 4,000 children in Missouri are affected by juvenile rheumatoid arthritis, a particularly devastating form of the disease. The Foundation's mission is to prevent, control and find a cure for arthritis. Contact the Foundation for free information, exercise classes, support groups, a schedule of public forums, and more. 1-800-402-2491 or www.arthritis.org. Contributions can be made at any time directly to the Arthritis Foundation, 9433 Olive Blvd. Suite #100, St. Louis, MO 63132.

**March of Dimes Fund —**

Thank you for helping the March of Dimes save babies. Your efforts, together with those of 11 Nobel Prize winners and countless researchers, are helping prevent birth defects and infant mortality. We've conquered polio. And our folic acid education program has reduced neural tube birth defects by over 25 percent! Now we are fighting the leading cause of infant mortality — prematurity. More than 460,000 babies each year are born too soon, too small. You are part of the good fight! Requests for information and contributions may be made directly to the Greater Missouri Chapter March of Dimes at 2001 S. Henley, Suite 510, St. Louis, MO 63144, (314) 646-8605 — Saving babies together in Missouri.

**Muscular Dystrophy Association Fund —**

MDA is fighting neuromuscular diseases through worldwide research, a statewide network of clinics located in Kansas City, St. Louis, Columbia, Springfield, Joplin, and Cape Girardeau, Missouri offering comprehensive medical services to all Missourians with any one of 43 muscle-wasting diseases. MDA also provides professional and public health education, as well as Summer Camps for Missouri children affected by muscular dystrophy and related diseases. Requests for information and contributions may be made at any time directly to: MDA Missouri Divisional Office; 9200 Ward Parkway, Suite 350; Kansas City, MO 64114-3387; (816) 444-1554.

**National Multiple Sclerosis Society Fund —**

Every hour, someone is diagnosed with multiple sclerosis. MS has no known cure. This is why we need your help. Seven thousand of your Missouri neighbors are living with the daily challenges of this chronic disease of the central nervous system affecting the brain and spinal cord. For 50 years, the National MS Society has been providing help and hope to Missourians with MS. Every dollar you give to the MS Fund provides medical equipment, respite care and other direct financial assistance to people with MS throughout the state. Learn more about MS, the National MS Society, and services available in your area, by calling 1-800-FIGHT MS or visiting our web site at www.nationalmssociety.org or contacting National Multiple Sclerosis Society Fund, 1675-1 E. Seminole, Springfield, MO 65804.



General Revenue Trust Fund — The General Revenue Fund supports the main functions of state government, including education, social services, and health care, among other services. Requests for information and contributions may be made at any time directly to General Revenue Fund, ATTN: Department of Revenue, P.O. Box 3022, Jefferson City, MO 65105-3022.

LINE 26 — CREDIT TO NEXT FILING PERIOD

Enter the amount of overpayment to be applied to the next filing period.

LINE 27 — REFUND

Enter the total of Line 24 less Lines 25g and 26. This is the amount to be refunded. No refund of less than \$1.00 will be made. If there is any other liability owed the state of Missouri, the income tax refund may be applied to that liability (Sections 143.781, 143.782, 143.783, and 143.784, RSMo). The corporation will be notified if any debts are offset with the refund.

LINE 28 — UNDERPAYMENT

Enter the underpayment if Line 16 is larger than Line 24.

LINE 29 — INTEREST, PENALTY, UNDERPAYMENT OF ESTIMATED TAX

Interest

Enter the amount of interest computed. Simple interest is charged on all delinquent taxes from the due date of the return until the payment is received. The simple interest rate, effective January 1, 2005, is 5 percent per annum (Section 32.065, RSMo).

Penalty / Failure to File

Enter the amount of penalty computed. If the return is not filed by the due date, including extensions of time to file, a penalty of 5 percent per month (not to exceed 25 percent in the aggregate) is charged during the period of such failure.

Penalty / Failure to Pay

If the tax due is not paid, unless an extension of time to pay has been granted, penalty of 5 percent is charged with respect to that part of the total tax for the year which is not paid by the original due date of the return. The penalty will be waived if: (a) the amount of tax paid on or before the original due date of the return is at least 90 percent; and (b) the balance of the tax due is paid on or before the due date of the return, including extensions of time (12 CSR 10-2.060 and Section 143.751, RSMo).

Underpayment of Estimated Tax

Enter the additions to tax for underpayment of estimated tax from Schedule MO-2220, Line 26. If the total payment and credit amount on Line 23 is less than 90 percent of the amount on Line 13, or if the estimated tax payments were not paid in full or timely, additions to tax for failure to pay enough estimated taxes may be owed. However, the corporation may be able to meet one of the exceptions explained on Schedule MO-2220. Attach a completed Schedule MO-2220. If there is an overpayment on Line 24, the Department of Revenue will reduce the overpayment by the additions to tax amount (12 CSR 10-2.067 and Section 143.761, RSMo).

LINE 30 — TOTAL DUE

Enter the total of Lines 28 and 29. Attach a check or money order for the amount due payable to the Missouri Director of Revenue. Include the corporation's Missouri Tax Identification Number on the check or money order (U.S. funds only).

AUTHORIZATION

Check the "yes" box for authorization of release of confidential information. This authorizes the Missouri Director of Revenue or delegate to discuss **this** return and attachments with the preparer whose signature appears on the Form MO-1120 or with any member of his/her firm or if internally prepared, any member of the internal staff. If the authorization box is checked "no", or if no box is checked, the Missouri Director of Revenue or delegate can only discuss this return with an officer of the corporation. Refer to Section 32.057, RSMo.

SIGNATURE

The Department of Revenue requires the return to be signed by an officer of the corporation. Enter the date signed, the title of the officer whose signature is affixed, and the corporation's telephone number. Lines are provided for the preparer's signature (other than taxpayer), Federal Employer Identification Number (FEIN), telephone number, and date. Failure to sign the return will cause a delay in the processing of the return.

FORM MO-1120, PAGE 2 LINE-BY-LINE INSTRUCTIONS

MISSOURI MODIFICATIONS (ADDITIONS/SUBTRACTIONS)

Modifications are allowed only per Sections 143.121, 143.141, and 143.143, RSMo. Any modifications taken that are not related to these sections will be disallowed. A detailed explanation of any modification must be attached to the return. Failure to attach such explanation will delay the processing of the return.

PART 1 MISSOURI MODIFICATIONS — ADDITIONS

LINE 1 — STATE AND LOCAL BOND INTEREST (EXCEPT MISSOURI)

Enter on Line 1a all interest from state and local bonds, excluding Missouri (Section 143.121.2(b), RSMo).

Enter on Line 1b the amount of expenses associated with the state and local bond interest shown on Line 1a. The expenses must exceed \$500. Refer to Section 143.121.2(b), RSMo, for further explanation.

Enter on Line 1 the net amount of Line 1a less Line 1b.

LINE 2 — FIDUCIARY AND PARTNERSHIP ADJUSTMENT (FROM FORM MO-1041 AND FORM MO-1065)

Enter the share of fiduciary and partnership adjustment as shown on Form MO-1041, Page 2, Part 1, Line 18, and Form MO-1065, Line 18 (Section 143.121.4 and 5, RSMo). A copy of Forms MO-1041 and MO-1065, must be attached to the Form MO-1120.

LINE 3 — MISSOURI DEPRECIATION BASIS ADJUSTMENT

Enter on Line 3 the difference between the Federal and Missouri depreciation calculated on assets purchased between July 1, 2002 and June 30, 2003. See Section 143.121.2(c), RSMo for more information. For examples and more information, access the Department of Revenue's web site at www.dor.mo.gov/tax.

LINE 4 — NET OPERATING LOSS MODIFICATION

If a net operating loss deduction is allowed for this tax year, and if, in the tax year of the corresponding net operating loss, total addition modifications exceeded total subtraction modifications, enter the smaller of:

Net operating loss deduction attributable to the loss year (tax year in which the net operating loss occurred)

OR

Cumulative net operating loss deductions attributable to the loss year that are allowed for this tax year and all prior tax years

+ net addition modification (amount that addition modifications exceed subtraction modifications) for the loss year

– total net operating loss for the loss year.

The above items are each considered to be a positive amount for purposes of this calculation. If the result of combining amounts is negative, use zero.

If the total net operating loss deduction for this tax year consists of net operating losses from more than one tax year, calculate the modification separately for each loss and enter the total.

Attach Form MO-NOL, Net Operating Loss Modification Worksheet, if, in the tax year of the net operating loss, total addition modifications exceed total subtraction modifications.

NOTE: This entry is a modification and not the net operating loss. The net operating loss is shown only on Form MO-1120, Line 1.

LINE 5 — TOTAL

Add Lines 1 through 4. Enter the amount on Line 5 and on Form MO-1120, Page 1, Line 3.

PART 2 MISSOURI MODIFICATIONS — SUBTRACTIONS

LINE 1 — INTEREST AND DIVIDENDS FROM EXEMPT FEDERAL OBLIGATIONS (MUST ATTACH SCHEDULE)

Enter on Line 1a the amount of interest and dividends from federal obligations to the extent they are exempt from Missouri income tax, but subject to federal tax (12 CSR 10-2.150 and Section 143.121.3(a), RSMo). A detailed list showing the amount of monies received or the percentage of funds received from **direct** U.S. Government obligations must be attached to Form MO-1120.

Enter on Line 1b the amount of interest on indebtedness and expenses associated with the production of interest and dividend income on federal obligations shown on Line 1a. The expenses must exceed \$500. Refer to Section 143.121.3(a), RSMo, for further explanation.

In arriving at the amount of related expenses, the taxpayer may use actual expenses or a reasonable estimate. In general, the taxpayer should use the same or similar method to that used to compute related expenses for federal income tax purposes, provided that the method reasonably reflects related expenses for Missouri exempt income.

If a taxpayer fails to compute reasonable related expenses, the Director of Revenue will make adjustments based on the best information made available. If sufficient information is not made available or if the taxpayer's records do not provide sufficient information, the Director of Revenue will use the following formula to compute related expenses:

$$\frac{\text{Exempt income}}{\text{Total income}} \times \text{Expense items} = \text{Reduction to exempt income}$$

The principal expense item in this formula is interest expense; however, the Director of Revenue may include other expense items because of their direct relationship to the production of exempt income. The taxpayer may propose an alternative method provided that it properly reflects the amount of related expenses.

Enter on Line 1 the net amount of Line 1a less Line 1b.

LINE 2 — FEDERALLY TAXABLE — MISSOURI EXEMPT OBLIGATION

The amount of any bond issued by the Missouri Higher Education Loan Authority (MOHELA) including interest or proceeds resulting from the sale of the bond is exempt from Missouri tax. If the amount is included in federal taxable income, the amount can be subtracted from federal taxable income for Missouri tax purposes pursuant to Section 173.440, RSMo. Enter the exempt amount on Line 2 and provide documentation with the return.

LINE 3 — REDUCTIONS IN GAIN DUE TO BASIS DIFFERENCE

Enter the amount of reduction in gain due to basis difference. If a taxpayer's federal taxable income prior to January 1, 1973, included

any gain from a sale or other disposition of property, which had a higher adjusted basis to the taxpayer for Missouri income tax purposes than for federal income tax purposes, a modification must be made to adjust for the difference in basis (12 CSR 10-2.020 and Section 143.121.3(b), RSMo).

LINE 4 — PREVIOUSLY TAXED INCOME

Enter the amount of any income or gain included in federal taxable income to the extent it was properly reported as income or gain on a prior Form MO-1120, Corporation Income Tax Return, filed under Missouri laws in effect prior to January 1, 1973 (12 CSR 10-2.025 and Section 43.121.3(c), RSMo).

LINE 5 — AMOUNT OF ANY STATE INCOME TAX REFUND INCLUDED IN FEDERAL TAXABLE INCOME

Enter the amount of any state income tax refund for a prior year that was included in the federal taxable income for the current year (Section 143.121.3(e), RSMo).

LINE 6 — CAPITAL GAIN EXCLUSION FROM THE SALE OF LOW INCOME HOUSING PROJECT

Enter the excludable amount of gain resulting from the sale of a low income project subsidized by the Federal Department of Housing and Urban Development to a nonprofit or governmental organization, agreeing to preserve or increase the low income occupancy of the project. A copy of Federal Form 4797 must be attached to verify credit.

For those owners whose low income project has at least 40 percent of its units occupied by persons or families having income of 60 percent or less of the median income, the exclusion shall equal 25 percent of the capital gain.

LINE 7 — FIDUCIARY AND PARTNERSHIP ADJUSTMENT (FROM FORM MO-1041 AND FORM MO-1065)

Enter the share of fiduciary and partnership adjustment as shown on Form MO-1041, Page 2, Part 1, Line 19 and Form MO-1065, Line 19 (Section 143.121.4 and 5, RSMo). A copy of Forms MO-1041 and MO-1065 must be attached to the Form MO-1120.

LINE 8 — MISSOURI DEPRECIATION BASIS ADJUSTMENT

Enter on Line 8 the difference between the Federal and Missouri depreciation calculated on assets purchased between July 1, 2002 and June 30, 2003. See Section 143.121.2(c), RSMo for more information. For examples and more information, access the Department of Revenue's web site at www.dor.mo.gov/tax.

LINE 9 — NET OPERATING LOSS CARRYBACK PREVIOUSLY DISALLOWED FOR MISSOURI

Enter on Line 9 any net operating loss carryback that was previously disallowed for Missouri purposes (Section 143.121.2(d)).

LINE 10 — DEPRECIATION RECOVERY ON QUALIFIED PROPERTY THAT IS SOLD

Enter on Line 10 any depreciation that was previously not recovered when an asset is sold or otherwise disposed of and federal bonus depreciation was previously taken.

LINE 11 — TOTAL

Add Lines 1 through 10. Enter the amount on Line 11 and on Form MO-1120, Page 1, Line 5.

PART 3 FEDERAL INCOME TAX — CURRENT YEAR

Enter the amounts of federal income tax on Lines 1 and 2. The instructions for entering the federal income tax are found on each line number. The line numbers will differ on other federal forms (1120A, 1120POL, 1120H, 1120REIT, 990T, and 990C). **Add Lines 1 and 2;**

multiply total by 50 percent; and enter the result on Line 3 and on Form MO-1120, Page 1, Line 7.

If filing a consolidated federal and separate Missouri return, the federal income tax deduction must be computed as follows:

Enter on Part 3, Line 1, federal tax from the consolidated Schedule J, Line 11 or Federal Form 1120A, Part 1, Line 6. Enter on Part 3, Line 2, the foreign tax credit from the consolidated Schedule J, Line 6a. Enter on Part 3, Line 3, half of Lines 1 and 2. Enter on Part 3, Line 4, the numerator (the amount of separate company federal taxable income). Enter on Part 3, Line 5, the denominator (total of all positive separate company federal taxable incomes; companies which incurred a loss must not be included in the denominator). Divide Line 4 by Line 5 and enter the percentage in the box on Line 6 (round percentage to four digits to the right of the decimal point, such as 12.3456 percent). Multiply Line 3 by the percentage and enter on Part 3, Line 6 and on Form MO-1120, Page 1, Line 7. Refer to 12 CSR 10-2.090 and 12 CSR 10-2.165 for further explanation. Attach the consolidated Federal Form 1120, consolidated Schedule J, and an income statement or summary of profit companies.

PART 4 REASON FOR AMENDMENT

Check the box that indicates the reason for filing this amended return. **A separate Form MO-1120 must be completed for each reason.** The applicable Federal Form 1139, 1120X, 4549, 4549A, 870AD, and/or 5278 must be attached.

A separate Form MO-1120 must be filed for each loss year carryback. For example, if you have an IRS audit or federal correction that includes a Net Operating Loss, one amended return must be filed for the federal audit and a separate amended return must be filed for the NOL.

PART 5 LOSS CARRYBACK OR TAX CREDIT CARRYBACK—AMENDED RETURN ONLY

Complete Part 5 when there is a loss carryback and/or credit carryback. A loss would include a net operating loss, capital loss, or product liability loss. A loss carryback is required to be filed by the 15th day of the 39th month following the end of the loss year (Section 143.801.6, RSMo). Lines 2 and 3 should reflect the total net operating loss/capital loss carryback.

Line 4 should reflect the difference between the original and amended federal income tax deductions for Missouri Form MO-1120, Line 7. A separate Form MO-1120 must be filed for each loss year carryback.

Note: Missouri does not allow a net operating loss carryback to apply to any tax period older than two years (Section 143.121.2(d)). See Form MO-1120, Part 1, Line 4.

ASSEMBLE YOUR RETURN

Assemble any forms and/or schedules behind Form MO-1120 in order of the "Attachment Sequence No." shown in the upper right corner of the form and/or schedule. Put forms without an attachment sequence number next. If you have supporting documentation, arrange them in the same order of forms and/or schedules they support and attach them behind the schedule they support.

RELEASE OF INFORMATION

The Department of Revenue can only release confidential information to corporate officers, authorized individuals having power of attorney, the preparer, or any member of his/her firm, or if internally prepared, any member of the internal staff, when the authorization box is checked.

When the authorization box is checked, this authorizes the Missouri Director of Revenue or delegate to discuss **this** return and attachments with the preparer whose signature appears on the Form MO-1120 or with any member of his/her firm or if internally prepared, any member of the internal staff.

The Department of Revenue strives to assist taxpayers in their inquiries; however, the Department of Revenue is bound by confidentiality statutes dealing with the release of confidential information. If you are contacting the Department of Revenue regarding financial information of a corporation, refund issuance, or filing status of a corporation, you will be asked to identify your position with the corporation. If you are an officer of the corporation, an authorized individual having power of attorney, the preparer or any member of his/her firm, or if internally prepared, any member of the internal staff, the authorization box on the form must have been checked for us to release financial information. To prevent delays in answering questions, you should provide the Department of Revenue with a Form 2827, Power of Attorney, prior to making the inquiry. This also applies to employees of the corporation. This form should list the tax type, the tax form, and tax year(s) in question.

The corporation should try to ensure the Department of Revenue has an updated list of officers on file and any changes to officers' status should be filed with the Division of Taxation and Collection as soon as the change takes effect. To update corporate officers, send the information to: **Division of Taxation and Collection, P.O. Box 3300, Jefferson City, MO 65105-3300.** These procedures are to protect the taxpayer from unauthorized disclosure of financial records.

FORM MO-FT FRANCHISE TAX SCHEDULE INSTRUCTIONS

Corporations/S Corporations Subject to Franchise Tax

All **domestic** corporations must file a Form MO-1120, Corporation Income Tax/Corporation Franchise Tax Return or Form MO-1120S, S Corporation Income/Franchise Tax Return and Schedule MO-FT, Franchise Tax Schedule and pay any tax due. All **foreign** corporations engaged in business or qualified to do business in Missouri must likewise file a Form MO-1120 or Form MO-1120S and Schedule MO-FT and pay any tax due. Franchise tax is based on the total assets of the corporation or the par value of issued and outstanding capital stock, whichever is greater. For capital stock with no par value, the value is \$5 per share or actual value, whichever is higher.

If a corporation's assets in Missouri or apportioned to Missouri are \$1,000,000 or less, the corporation is not required to pay franchise tax. However, the corporation must still file and state that their assets do not exceed \$1,000,000. Check Box A on Form MO-1120 or Form MO-1120S to indicate assets do not exceed \$1,000,000 and sign the return.

To determine the corporation's tax basis, complete Schedule MO-FT, Lines 1 through 6.

Corporations/S Corporations Exempt From Filing Franchise Tax

Not-for-profit corporations, industrial development authorities, insurance companies, which pay an annual tax on their premium receipts in this state, certain electric and telephone corporations, mutual insurance corporations not having shares, savings and loan associations, and regulated investment companies (see Section 147.010.2, RSMo), or banking institutions subject to the franchise tax imposed by Sections 148.010–148.110, RSMo, are exempt from filing corporation franchise tax.

New Domestic and Foreign Corporations

Corporations required to file a franchise tax return will have the return due by the 15th day of the fourth month after the date of incorporation (date of qualification in Missouri if a foreign corporation) whether it be a short period or a full 12 months.

Rate and Basis of Tax

Section 147.010, RSMo, requires 1/30 of 1 percent (.000333) of the value of the tax basis.

Balance Sheet

A copy of the balance sheet and supporting schedules as of the beginning of the corporation's taxable period must be attached. Only include those schedules pertaining to asset information. A new corporation should submit its balance sheet as of the date of its incorporation/authorization or date in which operations began in Missouri, when filing the franchise tax schedule. An explanation must be attached with the report if an alternate accounting method is used.

Definitions

A. INVESTMENTS IN AND ADVANCES TO SUBSIDIARIES: Submit a schedule of investments and advances to all subsidiaries. Indicate the names and percentage of ownership in each and the amount of investments or advances. Ownership of the subsidiary must be over 50 percent to qualify. **Subsidiaries must be corporations.**

B. ALLOCATION AND APPORTIONMENT: A corporation having assets both within and without Missouri, apportions its total assets based on the amount of accounts receivable, inventory, land, and fixed assets allocated to Missouri. Corporations doing business within and without Missouri should submit a schedule of Missouri assets in addition to the balance sheet. **Extend the apportionment percentage on Schedule MO-FT, Line 4, to six digits to the right of the decimal point:** such as 12.34565 percent is .123457 and 1.2345 percent is .012345. **NOTE:** An alternative method of apportionment may only be used with prior approval from the Missouri Director of Revenue.

C. ACCOUNTS RECEIVABLE: Include as Missouri assets all notes, accounts, and contracts receivable that are based upon Missouri des-

tinuation sales. Receivables which are not derived from sales must be included as Missouri assets if the borrower is located in Missouri. If accounts receivable from subsidiaries are included in Line 2b, do not include in Line 3a. Receivables must be reported net of allowance for bad debt.

D. INVENTORIES: Include as Missouri assets the amount of all inventories owned by the corporation and used in Missouri. The value of inventories should be reported net and at book value.

E. LAND AND FIXED ASSETS: Include as Missouri assets all land and fixed assets located in Missouri owned by the corporation. The value is the original cost less accumulated depreciation. Include property and equipment under construction and leasehold improvements and depletable assets less depletion.

F. NEGATIVE ASSETS: Negative assets as shown on the balance sheet constitute a liability and are not deductible. Add negative figures back to total assets.

Administrative Dissolution

If a corporation required to file franchise tax, fails to file and/or pay the tax within 90 days from the original due date (or 90 days from the extension due date), it shall forfeit its charter (or Certificate of Authority for a foreign corporation) in this state under the provisions of Section 351.525, RSMo.

Foreign Corporations Acting as General Partners

The Limited Partnership Law (Chapter 359) does not require foreign corporations acting as general partners of limited partnerships to qualify as foreign corporations doing business in Missouri. Nevertheless, these foreign corporations may owe a franchise tax. If they do, they should indicate on their franchise tax schedule that they are a general partner of a limited partnership. Calculate the tax liability based upon either the partner's capital account or the corporation's initial investment. Include percentage proportionate share in both total assets (Line 2a) and apportioned assets (Line 3a, b, or c).

Final Checklist Before Mailing

- ☐ Was the Form MO-1120 signed by an officer of the corporation?
- ☐ Did you review your completed return?
- ☐ Is the corporation name, address, and tax identification number correctly shown on the return?
- ☐ Did you complete the Schedule MO-FT, if liable to pay corporation franchise tax?
- ☐ Did you check Box A on Form MO-1120 if your assets in or apportioned to Missouri are less than or equal to \$1,000,000 and you are not exempt from filing or paying franchise tax?
- ☐ Are your beginning and ending filing periods shown on the Form MO-1120 and Schedule MO-FT? (They cannot be the same.)
- ☐ Have you verified all math calculations?
- ☐ Did you receive a federal extension of time to file your return? If so, have you attached a copy of the federal extension (Federal Form 7004)?
- ☐ Have you attached a copy of the federal form and supporting schedules?
- ☐ Did you attach a copy of your balance sheet and any supporting schedules?
- ☐ Have you addressed your envelope to the proper address?
- ☐ Did you enter your Missouri Tax Identification Number? If you do not know your Missouri Tax Identification Number, an officer must call (573) 751-5860.
- ☐ Did you enter your Missouri Charter Number? If you do not know your Missouri Charter Number, call (866) 223-6535.

